

Horse Thief Reservoir Benefit District Summary of long-term financing for the reservoir project

Overview:

Due to the passage of a voter referendum in four Kansas Counties, (Finney, Ford, Gray and Hodgeman) an additional .15% was added to the existing sales tax collected in the four counties. The additional .15% sales tax revenue is collected by the State of Kansas and the .15% sales tax proceeds are monthly transferred to the bond trustee (Security Bank of Kansas City for semi-annual debt service on a Series 2005, Series 2007 and Series 2013 bond issues. Also, provisions in the Series 2005 Indenture, provide for an annual operational and maintenance fund, reserve fund as well as a \$2 million dollar endowment fund during the lifetime of the bond issues. Proceeds from the three bond issues were used to acquire land, construct a 6,000 feet earthen dam and develop the acquired land for public recreational use. Bond proceeds are not used for operation of the park and are only used for the project development. Camping, fishing and day use areas would be managed and a user fee amount is collected. Park fees are separate from sales tax proceeds and not used in the debt service payment on the bond issues.

County breakdown of sales tax revenue as provided by the State of Kansas Office of Policy and Research (KsDeptRev) for 2016

Finney County: \$1,162,199.77

Ford County: \$ 863,593.87

Gray County: \$94,715.00

Hodgeman Co: \$22,395.93

Unknown: \$42.02

\$10,000,000 Series 2005 dtd 12/28/2005 (12 year maturity schedule) Bond Payoff 12/1/17

\$ 4,500,000 Series 2007 dtd 8/1/2007 (12 year maturity schedule) Bond Payoff 12/1/19

\$ 2,100,000 Series 2013 dtd 4/1/2013 (8 year maturity schedule) Bond Payoff 12/1/21

The Series 2005 bond issue: \$10,000,000.

Initial bond issue proceeds used for the acquisition of land and primary dirt work associated with the construction of the dam and lake basin. Access roads both public use and park use only are also included along with some provisions for boating and camping facilities as initially planned. Semi-annual interest (fixed interest rate of 4.45%) and principal maturities, 6/1 & 12/1 with a final maturity date of 12/1/2017 and a balloon principal payment of \$3,750,000

The bond issue was purchased by one bondholder, Bank of America

The Series 2007 bond issue: \$4,500,000.

Bond Issue for additional dirt work associated with the dam construction, roads, park facilities and improvements.

Semi-annual interest (fixed interest rate of 4.95%) and principal maturities, 6/1 & 12/1 with a final maturity date of 12/1/2019 and a balloon principal payment of \$2,400,000

The bond issue was purchased by one bondholder, Bank of America

The Series 2013 bond issue: \$2,100,000.

Second bond issue for park facilities and improvements.

Semi-annual interest (fixed interest rate of 2.95%) and principal maturities, 6/1 & 12/1 with a final maturity date of 12/1/2021 and a final principal payment of \$525,000

The bond issue was purchased by one bondholder, Emprise Bank

As of 12/31/15 and annually until the maximum of \$2,000,000 is achieved, the bond Trustee will transfer \$500,000 from the Sales Tax Revenue fund, to the Operations and Maintenance Reserve Fund. With the authorization of the HTR board of directors, the funds will be invested under the investment restrictions of the Series 2005 Indenture. Steve Shogren, Senior Vice President; George K. Baum & Company, the Financial Advisor of the bond issues was consulted on the provision of the Indenture and the funding of the Operations and Maintenance Reserve Fund.